DOCUMENT RESUME

ED 207 688 PS 012 404

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TITLE Employer Sponsored Child Care: Four Issues Papers.
INSTITUTION Governor's Advisory Committee on Child Development Programs, Sacramento, Calif.
PUB DATE Sep 81
NOTE 79p.
AVAILABLE FROM Governor's Advisory Committee on Child Development Programs, 1600 Ninth Street, Room 105, Sacramento, CA 95814 ($3.00).

EDRS PRICE MF01/PC04 Plus Postage.
DESCRIPTORS Advisory Committees; *Cost Effectiveness; *Day Care; Economic Factors; Employed Parents; *Employers; Health Needs; Models; *Parent Participation; *Program Development
IDENTIFIERS *Employer Supported Child Care

ABSTRACT

This publication of the California Governor's Advisory Committee on Child Development Programs includes four issues papers dealing with employer sponsored child care. The first paper describes three approaches to employer support of child care, lists the elements of the system planners must consider when designing appropriate responses to employers' child care needs, and discusses the impact of employer sponsorship on child care quality, availability, and cost. The second paper examines the cost of child care as one of several incentives and disincentives which affect employers as potential sponsors of child care and influence parents as the consumers of child care. It is argued that child care cost is a small disincentive relative to major benefits in terms of productivity, community relations, employee relations, and taxes. Paper three emphasizes the importance of including parents in the development of employer sponsored child care and suggests several ways to achieve parent choice and involvement. Finally, some specific solutions to the problem of caring for children with mild illnesses when parents are at work are identified in paper four. (Author/MP)

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EMPLOYER SPONSORED CHILD CARE

four issues papers

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15 September 1981

To the Reader:

Late in 1979, Governor Brown asked the GAC to study and report to him the ways the State could promote employer sponsored child care. In January of 1980, the Committee formed a subcommittee on the subject. By mid-summer, the Committee had set itself a formidable agenda:

- to work with the Governor's Office to hold meetings with major employers and union representatives;
- to develop policy papers on key issues in employer sponsored care;
- to develop a resource library and bibliography on the subject.

In October of 1980, Rosenberg Foundation awarded the Committee a grant to enable the GAC to complete its agenda.

Earlier this summer, the Committee published "Employer Sponsored Child Care: Policy Discussion, Recommendations, and Bibliography" which presents the results of the meetings held in the Governor's Office with labor and business. It also includes a long annotated bibliography.

The publication of these four issues papers marks the completion of the last task of this agenda.

The Committee thanks the many child care professionals, labor and business representatives, and government employees who assisted in this work. In particular, the Committee thanks the Rosenberg Foundation for its confidence and its generosity and Willa Pettygrove, the research consultant who wrote the issues papers.

Sincerely,

June Sale
Chair, GAC

Vivian Weinstein
Chair, Subcommittee on
Employer Sponsored Care

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1. designing successful systems

PERSPECTIVE

The purpose of this paper is to answer the question, "How can an employer design a system which will meet the child care needs of working parents?" Readers familiar with the field of employer sponsored child care may expect a description of the modes of child care frequently used by working parents. Several excellent references describe these modes, and this paper draws from them (e.g. K. S. Perry, 1981; Honeywell, 1980; and Welfare Research Institute, 1980). Instead of individual modes of care, *the discussion in this paper promotes a view of employer sponsored child care as a system which coordinates the needs and resources of employers, working parents, and child care services.*

The first section of the paper describes three approaches to employer support of child care. Each approach has its values and weaknesses. Most importantly, each offers particular benefits to employers, to working parents and their children, and to child care providers in the community.

The second section of the paper lists the elements of the system which planners must consider when designing appropriate responses to employers' child care needs. This discussion, along with the list of variables in the appendix, can serve as an expanded outline for development of a needs assessment.

The concluding section of this paper discusses the impact of employer sponsorship on child care quality, availability, and cost. These issues arise frequently in discussions of child care models and approaches to employer support. The discussion here should help both employers and child care professionals anticipate points of difficulty, and understand the complexity, in the planning process.

In addition to clear economic incentives for both employers and working families (discussed in the GAC paper, Economic Incentives for Employer Sponsored Child Care), the child care community has held some assumptions about the reasons for encouraging employer sponsored child care. For child care, the reasons are assumed to be:

1. To increase the amount of good quality care in the community;

2. Alternatively, to allow parents to meet their child care needs by reducing the conflict between family and work;

3. To reduce the amount employee parents may pay for child care;

4. To improve the distribution of existing community child care resources so that they are more readily available to working parents;

5. To increase employers' awareness that employees' family responsibilities are related to work performance and community well being.

Clearly, child care advocates will view the planning process in terms of potential benefits for children and families. These benefits can also be viewed as important for the employer, because they increase community well-being and parents' commitment to work, and they reduce stress on working parents.

THREE APPROACHES TO EMPLOYER SUPPORT

The report from the Honeywell Women's Task Force (1980) emphasizes the method of employer support, rather than the types of child care which employers can support. This perspective orients initial planning toward the management and fiscal questions the employer must ask. Using the perspective of the Task Force report, the following discussion focuses on three approaches to employer support of child care.

REDUCING THE CONFLICT BETWEEN FAMILY AND WORK RESPONSIBILITIES

This approach includes different arrangements to enable families to meet more of their own child care needs, through care by the parents themselves or through informal arrangements with relatives and friends. For example, the employer may allow flexible work hours, a compressed work week, extended leaves for new mothers or fathers, use of sick days for care of ill children at home, job sharing, and permanent part-time employment. One promising innovation is work at home via a remote computer terminal installed by the employer.

Benefits: Although difficult to evaluate, the approach demonstrates a sensitivity to worker needs which should pay off in better morale, increased job satisfaction, and renewed commitment to work. This approach is very flexible, appropriate to workforces of any size. No capital outlay or startup costs are required, and an employer can accomplish changes in small increments.

This approach supports parent choice because the emphasis is on parents meeting their own needs; it also avoids the problem of liability. Flexible work options allow more efficient use of existing community child care resources, including some valued programs that are suffering as more and more parents go to work. For example, flexible scheduling would allow more participation of working parents in play groups and parent cooperatives.

Some employers who have philosophical objections to models of child care which they see as interfering or supplanting family functions may prefer this approach because it is one way to support the family's inherent strengths.

Problems: Administration, scheduling and communication among employees, and management of pay and benefits, can be costly and complex, and these options are not adaptable to all work situations.

Employers should be aware of the potential unseen costs borne by employees (Belle, 1981). The most immediate costs are the commitment of scarce time and energy by parents whose work may already be stressful. Parents may prefer to spend less time, but higher quality time, with their children and leave most of the child care to out-of-home caregivers. Mothers especially may object to informal arrangements,[1] if they will continue to carry a disproportionate share of the family's child care responsibility. Even those families which prefer informal arrangements should have recourse to good quality out-of-home care as a supplement to other options. Flexible work arrangements do little to increase the amount or quality of out-of-home care. Employees who must have the income of full-time work will not benefit from some flexible plans, and unions may object to these options because they jeopardize overtime benefits.

One long term cost of this model is in terms of employees' career development. Employees may refuse to take parenting leave because they sense discrimination against those who make less than a full-time, permanent commitment to a job. Women have experienced this career cost as a consequence of moving in and out of jobs to accommodate changing family responsibility. This long term cost of more flexible job options will continue as long as employers continue to prefer the careerist with a linear and hierarchical "ladder" of work experience.

Summary: By allowing work arrangements which reduce the conflict between family and work, the employer demonstrates understanding of personnel management which considers more than pay and benefits. By supporting the worker's role in a family and community, the employer is

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[1] *Informal arrangements are those forms of care which do not require purchasing services in the market place--care by relatives or friends for little or no fee.*

not just giving another employee benefit, but is engaging in human resource development. The costs of designing and implementing flexible work arrangements should be offset by improved employee performance.

EMPLOYER CONTRIBUTIONS TO PURCHASE CARE

Although the employer-funded child care center at the worksite is frequently presented as the model for employer supported care, this form of care is only one of many ways in which the employer can subsidize the cost and quality of care. There are three sets of key variations. The first set is the mode of care provided--family day care, in-home care, center care, or some conbination of these options. Another set of variations is the extent of financial support given by the employer. Typically, the employer's contributions are combined with funds from parent fees, other employers, or public grants and contracts to provide an adequate funding level and reduced cost to parents. Some employers have contributed toward startup costs, capital improvements, or specified budget items. Programs may also vary in the way in which the contribution is paid. Several payment arrangements are commonly used:

1. Payment or in-kind contributions to a child care provider for specified budget items, in exchange for reduced fees or preference in enrollment for employees;

2. Payment to a provider for a guaranteed number of enrollment slots for employees' children (vendor payment);

3. Paymert through a prepaid voucher which the parent exchanges for purchase of care;

4. Payment to a program owned and operated by the employer, alone or cooperatively with another employer or union, or to a nonprofit corporation established by one or more employers and unions.

These arrangements vary in their suitability for different employers, especially where collective bargaining agreements prescribe certain kinds of employee benefits.

Benefits: By making direct monetary contributions to child care, the employer may be eligible for deductions for business expenses, capital outlay, or charitable contributions (CCH, 1980). Intermedics organized its child care center as a wholly owned for-profit subsidiary, and it gains tax advantages by deducting the center's losses.

Other benefits are associated with improved productivity and reduced personnel expenses. An administrator at Pioneers Memorial Hospital in Brawley has estimated that expenses for the hospital's child care program are offset significantly by savings in recruiting costs for nurses. One study has documented reduced absenteeism and turnover associated with a worksite child care center (Milkovich and Gomez, 1976). In findings from another study, women workers' absenteeism was directly related to the number of children in the family and the incidence of school holidays (Nicholson and Goodge, 1967).

Direct contributions to child care are highly visible to the community, the employer, and the employees. This visibility has much public relations value. By making direct contributions, the employer is clearly responding to employee and community demands for more child care. In contrast, flexible work arrangements and less direct forms of contribution are more difficult to track and less likely to increase the supply of child care.

Contributions through vendor/voucher arrangements and family day care networks increase the amount of parent choice and can function as a lever to improve child care quality in a community. Contributions to programs also enhance parent choice by increasing the amount and quality of child care in a community, because additional funds allow the development of new resources.

Direct contributions can be adjusted to the level of need. The employer does not bear costs for a service not used by the employees.

Problems: In addition to the direct costs of purchasing services and indirect ones of planning and managing some options (e.g. voucher systems), employers have expressed concerns about comparability of benefits and liability.

Comparability of benefits may become an issue if child care is viewed as a benefit for only a few employees. However, one may argue that health insurance and other benefits also tend to be used by only a part of the work force. Child care is not exclusive if offered to anyone in the work force who wishes to use it. Employers can also offer "dependent care benefits" so that some employees may have assistance in finding care for disabled family members, while working parents receive child care assistance. Another response to the comparability issue is to offer child care within a "cafeteria of benefits" plan. In this plan, all employees receive a set of core benefits. Besides this core, employees select from a number of optimal benefits such as child care, extra life insurance, or extra leave days (Perham, 1978). Initial concern over the comparability issue may evaporate when employees see that the employer is providing a very attractive and needed community service.

Concern over liability seems inversely related to the quality of child care, and to the amount of child care experience of a given employer. The incidence of serious accidents in programs with adequate staffing and appropriate facilities is very low. In addition, the employer can limit liability by using forms of child care providers and information and referral agencies in their community for specific data on the incidence of accidents, on insurance, and on other aspects of this issue.

Employers who buy into a particular model or program risk making a commitment to a type of care which is not preferred or needed by many employees. For example, care near the worksite will not be used if parents must share a hazardous or uncomfortable commute with a young child. A child care center serving a narrow age range will not serve a work force which needs care for children from infancy to school age.

The problem of finding the right care system for a given work force is not trivial. Needs assessments and careful planning should pay off, because they will identify a child care system which fits with the needs, preferences, and resources of parents, child care providers, and the employer.

Summary: The employer who chooses to purchase child care for employees has many options in the amount, kind of support, and payment arrangement used. There are clear benefits to both employer and employee in this kind of support, and potential problems associated with it can be overcome by careful planning.

SUPPORT OF COMMUNITY CHILD CARE

The employer may decline to purchase care because need has not been well documented, demand does not justify the cost of developing a support system or some factor (e.g. union contracts) interferes with direct purchase arrangements. Alternatively, an employer may support community child care resources in addition to providing flexible employment policies or purchasing child care for employees' children. Support for community resources can benefit the employer and the communities (Abt, 1972).

Charitable Contributions: Employers may not realize that they have supported child care for some time through contributions to United Way or to other community based organizations. Although such contributions may help meet only a small part of the demand created by employees, they do help to support services used by much of the community. Further, nonprofit organizations may have the autonomy, knowledge of community need, and expertise to develop model programs which fill special needs in a community's child care system. For example, a program may be developed to provide day care of mildly ill children, or to provide respite care for families in crisis. When the employer makes a charitable contribution, it is important to verify that child care is a priority in the mission of the charity or foundation. Because of its role as a major donor, the employer may be able to influence recipients to give child care a higher priority for funding.

Donation of space, goods, or inkind services: A large employer may find that a donation of an insignificant percentage of inventory, staff time, space, or other assets may represent significant help to a child care program. Several employers (including TRW, and Control Data) have initiated programs for low income community children by providing space and management time. Government subsidies to serve this group of children often do not allow for capital outlays or startup costs, so the employer's contribution can be a crucial factor in starting a center.

Employers may donate a service or equipment which a child care program could never afford to purchase. Office equipment and supplies or material byproducts (child care's "beautiful junk") are among the many donations made at little cost to the company and great benefit to a child care program. A computer company in the San Jose area donated computer time and software to enable a child care center to streamline its vendor payment program.

Funding for staff development and consulting: The low rewards and high stress of child care work can contribute to staff burnout (Whitebook et al.). Besides direct funding to improve staff salaries, employers can support child care staff by funding consultants or other training/support services. Iowa State University contributed to its community's child care by creating a Day Care Consultant position in the University's Child Development Department. This special faculty member arranged staff training and special events and consulted with local day care staff on administrative problems. In addition, the faculty status associated with the position increased the university's awareness of community child care needs. Other employers could provide staff support to consult on fiscal and personnel practices or for political advocacy and government relations.

Resource and referral: Resource and referral networks become a salient part of California's child care resources with the support of alternative child care funding through AB 3059 in 1976. Employers have contributed to existing resource and referral networks, have contracted on a fee-for-service basis for special referral services, and have developed in-house referral services especially for employees. Resource and referral offices function as support systems for both parents and providers. In addition to providing lists of available child care programs which match parents' needs, they provide other information on parenting. They also improve the quality and availability of child care by giving potential providers information on starting a child care program and by screening providers who are referred to parents.

State funded resource and referral agencies are required to serve all parents in a community, but employers may contract for additional special services for their employees or contribute for services to the whole community. Whatever the nature of their support, employers' contracts with resource and referral agencies can be an important first step toward more expensive types of employer sponsored child care. In handling the day to day requests and problems of both parents and providers, the resource and referral agency accumulates very convincing evidence of child care needs. In supporting providers, the agency also collects information about services which are needed and will work in a given community. In addition, the resource and referral agency often provides an administrative structure through which vendor or voucher payment systems can be developed for an employer.

The employer's support of a community's resource and referral agency makes use of an existing resource to gain information for employees. It sustains and develops a resource which benefits all community parents and providers. A referral service developed as an in-house service by an employer takes pressure off community services and allows the employer to test the waters before becoming more involved in child care for employees.

Community education and political advocacy: Just as support of resource and referral can provide concrete data which lead to more employer support of child care, involvement in community education and political advocacy can increase the employer's awareness and commitment to child care. Employers have supported community education by funding conferences, parenting seminars, and brown bag lunch discussions for parent education. The education efforts, planned cooperatively by community groups and child care advocates, involve little or no cost to the employer. As a sponsor, the employer is placed in the position of hearing and acknowledging parents' needs and concerns, including their need for child care. Employers also have political advocacy resources--lobbyists and memberships in professional organizations--which can be used on behalf of child care. The clear relation of child care to employee satisfaction and productivity make this a very appropriate area for political advocacy (Chapman).

Benefits: Besides clear benefits to the community's child care programs, these less direct forms of support give the employer a very positive public image. Such support need not respond exactly to fluctuations in child care demand in the work force.

Problems: In general, these indirect types of support do little to increase the amount of child care in the community. With an orientation toward community needs and existing services, the employer may be unaware of the extent of child care demand created by the work force or by particular employment practices. From the employee's perspective, it is difficult to measure the value to the work force of support for community services.

Summary: Employer's support of a community's child care can take many forms. Such support can substitute for more direct contributions, or can supplement child care benefits given to employees.

CONCLUSION

Employer support for child care takes three forms. One is employment practices which reduce the conflict between employees' family and work responsibilities. Another is arrangements through which the employer pays for some or all of the cost of child care for employees. The third includes various contributions to child care programs in the community which are not tied to the specific child care services used by employees. Each of these forms of support can benefit a community in need of child care, either by reducing the demand for services or increasing the supply. Each offers its own benefits and problems which must be considered in planning employer sponsored child care.

PLANNING FOR THE CHILD CARE BENEFIT

As child care advocates and employers work together in planning to meet the needs of a work force in a community, they must accumulate information from several sources, on several variables. In a recent paper, Dana Friedman described the planning process as a series of management tasks (1981). Planning must include more than a needs survey of employees; it must address the employer's objectives and resources, and patterns of child care use and need in the community.

This section of the paper provides an expanded outline of variables to consider in planning employer sponsored child care; it complements the information in the Friedman (1981) article. The appendix to this report lists variables to include in a needs assessment.

CHARACTERISTICS OF THE WORK FORCE

This category includes a large number of variables which connect in complex ways to the demand, preference, and availability of child care. The elements of parental demand (how much out-of-home care is needed) and preference (what forms of child care are selected) are covered more extensively in a separate GAC paper on parental choice. A brief list here provides a context for evaluating different models.

Family resources and preferences: It is an oversimplification to assume that a family's choice of child care is dependent solely on income. Research by Kamerman (1980) had documented how parents combine money with their own time and energy to achieve care they believe is right for their children. Cost of care is a very important factor, but family values and concepts about quality also enter into their decisions.

Families have resources besides money to commit to meeting child care needs. One resource frequently overlooked is the family's own time. As Bane (1979) has pointed out, most child care still consists of "informal arrangements" with people in the family or neighborhood. If a company's work force is predominantly from two parent or extended families, the chosen model should allow families to use these informal arrangements as a part of the child care system.

However, models which depend on the family's time and social relations (e.g. job sharing, flextime) are unrealistic for families which depend on a single parent's full time income for survival, or for jobs with time demands which do not allow coordinated scheduling. In addition, little research has been done on the effect of such informal arrangements on stress, use of leisure time, and adult relationships within the family. One study of coping among low income mothers indicated that making and maintaining such informal child care arrangements may be a major source of stress on parents (Belle, 1981). Although preferred for many reasons, informal child care arrangements may be a heavy burden on a family's scarce time and energy. Also, if economic conditions continue to push more people to work away from home, a community's resources for "informal arrangements" may dwindle.

Age and needs of children: Although employees are parents for a large portion of their career, their child care needs vary over that time span. The demand for out-of-home care is acute for the first four to six years of a child's life. When this acute phase passes, parents will need care to supplement the school day. Parents often replace expensive out-of-home care for preschoolers with more complex arrangements which coordinate care with school and other activities of older children. Further, research on parent choice indicates that the preference for type of care is strongly connected to the age of the child. Family day care has in the past been preferred for the care of infants and toddlers, although demand for center care for this age group is increasing rapidly. Although not the predominant form of care for all children under six, center based programs are strongly preferred for children older than three (Hofferth 1979). This pattern seems tied to parental preference for an educational component in care, and to preschoolers' need for group experiences with other children.

Employment options of workers: Several studies (e.g. Rudd and McHenry, 1980; Gordon and Kammeyer, 1980; Heckman) document that the decision to work, for mothers as well as fathers, is based first on the economic need of the family. In fact, one study indicated that women with family responsibilities are more likely than single women without responsibilities to stay on the job, if their expectations for pay are met (Federico et al., 1976).

Availability of child care can influence where a parent chooses to work, but is probably secondary to other considerations. In a competitive job market such as nursing, child care may be offered to attract more employees. However, the power of child care as a solution to worker shortage has not yet been demonstrated.

In summary, models of employer sponsored child care must be designed with sensitivity to the stated needs and family characteristics of the employees to be served. Employer sponsored child care programs planned without this sensitivity have failed because of low demand for the service.

LOCAL CONDITIONS

Every employer sponsored child care program is established in a political, social, and economic environment. Aspects of this environment will influence the success or failure of an employer sponsored effort as powerfully as needs of the employers or employees.

Regulations: State, local, and, in some cases, federal regulations apply to any program which provides care for children. By setting minimum program standards, especially in regards to staff-child ratio, regulations affect the cost of care as well as the design of programs. Regulations can also affect the location of a program. In some communities, it may be difficult to locate facilities which conform to licensing guidelines and are located in areas which meet zoning requirements. Programs receiving state or federal funds may be subject to different or additional regulations, prohibiting or enabling special program features. For example, care of ill children is provided in a few of California's state funded programs (licensed under Title 5) but not in privately funded programs (licensed under Title 22).

Funding for child care: Requirements of the funding source may influence the choice of support. For example, some employers have formed joint nonprofit corporations to develop a child care system which would have been too expensive for one company. Others have developed projects which use some state subsidy, or provide space for subsidized children. Initial government funding for child care may provide an easy avenue for more employer

involvement. For example, some resource and referral networks, developed and sustained with state funds, are now contracting to provide special additional services for employee groups. Employers can benefit from the resource and referral agencies' previous contacts with child care programs, knowledge and experience with child care regulations, and administrative structures for vendor/voucher transactions.

Alternatively, employers may initiate programs which are sustained by government funds or by parent contributions after a startup period. This approach has been particularly helpful where government funds cannot be used for start-up or capital outlay. Typically, this form of cooperative funding benefits low income persons eligible for public assistance, but does not reduce child care costs for nonsubsidized employees. In at least one exception (Pioneer Memorial Hospital in Brawley, CA), state subsidized services for low income community children and employer subsidized services for employees' children are combined in one child care center.

Models for employer sponsorship should be selected with awareness of the history of child care in the community. Employers offer a new resource and their contributions should support innovations which fill needs and which supplement, without displacing, existing programs. In addition, past successes and failure in child care programs provide important information about needs and preferences of families to be served.

Geographic and population factors should also be considered in selecting a model. In urban areas, a large part of the work force may live out of town, and parents may object to bringing children on a long commute to a worksite center. A company in a more rural setting may have difficulty finding the variety of child care resources desired by employees. One company used its park-like campus as the site for a summer day camp for employees' school aged children. Clearly, the age distribution of the work force and the community will affect the choice of models. Where most employees do not have young children, child care services might be one of several optional benefits, or the company might elect to contribute to programs in the community.

EMPLOYER READINESS

Children's Rights Group has proposed the concept of "employer readiness" as a means to describe optimal conditions for employer support of child care. Characteristics listed in this section tend to predict an employer's readiness to support child care. That is, they are characteristics which influence the demand for child care in the work force and/or the employer's ability to respond to this demand. They may also be variables which will determine the best model for a given employer to support.

Relevant tax benefits: Tax benefits will have a different economic value for different employers and models, so employers will tend to seek a model which will maximize their benefits. Tax benefits are summarized in the booklet published by Commerce Clearing House (CCH). An employer who opts for a mix of community and employee children in a center might be dissuaded by the fact that rapid depreciation could not be claimed for capital expense. However, this mix would be advantageous for an employer who seeks to create a nonprofit charitable corporation.

Needs and goals of the employer: Besides the goals of lowering cost and raising productivity, employers' reasons for supporting child care include improved hiring and retention of skilled workers, improving the social and political climate of a community, and enhancing the company's public image.

Characteristics of the work force: Employers are more likely to support child care if their employees number over 500, are primarily women, or are of childbearing age. These characteristics increase the need for child care and the likelihood that employees will request child care support. In response to a low rate of female and minority employment, an employer may support child care to comply with equal employment opportunity regulations or to respond to job discrimination litigation.

Organized labor: A company with union contracts may be more responsive to a request for child care support, provided that the union has a record of concern for the work conditions as well as wages of its membership. However, an employer who must negotiate with more than one bargaining group (for different classes of employees) may have difficulty with a benefit that appears to serve some employees more than others.

Particular models of child care support may be unacceptable to unions because they infringe on overtime benefits.

Economic health of the employer: If the employer is operating at or near capacity, or is experiencing growth in a very competitive labor market, child care may be chosen as a benefit to retain or attract more qualified employees. As with other management decisions, there will be more willingness to try something new in an atmosphere which favors growth, or where resources allow some risk taking.

Social awareness and involvement of the employer: Contributions to child care may come from a concern for community needs, or from a belief that community health affects business (Abt). In some cases, the interest of one individual in upper management has led to the development of employer supported child care.

Employer characteristics are crucial to the initial adoption and to the subsequent success or failure of employer sponsored child care. Obviously, the employer must believe child care is needed and have resources to support it. Less obvious are the ways in which characteristics influence the level of commitment and flexibility the employer brings to the development of a child care program in a community. Child care advocates must develop specific models for employer sponsored child care which represent the best combination of factors, including local conditions, needs and preferences of working parents, and needs, resources, and purposes of the employer.

PLANNING CHILD CARE: SOME ISSUES

Beyond the practical questions of how the employer can support child care, and what kind of care will best meet employees' needs, are questions about the impact of child care on the community. This section raises issues to emphasize one point: child care services are part of a community system composed of the needs, values, and resources, of families and employers.

As employers investigate child care as an employee benefit, they should become aware of the impact of specific personnel practices on employee families and the communities. In many cases, existing child care programs represent parental preferences and resources which might be further developed. Successful models of employer support will build on existing patterns of child care use in a community.

The interest of child care providers in employer supported child care is in part economic. Government funds can do little to lessen the burden of child care cost on working families. If employer support is to increase both the quality and quantity of child care, it must do more than find new ways to spend existing government and community funds. For example, a corporation may provide support for capital outlay and program planning to enable a community group to begin a publicly funded program; however, such corporate support depends on the availability of new government funds--not very likely in the immediate future--and it does not contribute to the child care needs of the corporation's own employees. One assumes that their incomes would be above minimum wage, so it would be unlikely that they would qualify for publicly funded care. A better corporate investment may well be directing company funds to subsidize the child care costs of lower-paid employees.

Similar issues surface when one examines the ways employer support affects a community's child care economy. The employer and child care consultant will have to decide whether the employer's contribution will be used to increase the funding level to providers (keeping the parents' fees at approximately the same level) or to offset some of the parents' expense (keeping the programs' funding level approximately

the same). The first alternative benefits parents and providers by providing more program funds; this could well result in increased program quality and may draw and keep more talented and skilled individuals into the child care field. The second benefits parents by reducing the impact of child care expense on the family's income; it benefits providers by guaranteeing regular payment of some of their fee.

Employers should also guard against promoting or establishing programs wherein the subsidy for care comes not from the employer or the government, but from parents and staff. A worksite program organized and funded by parent fund raising efforts, and wholly dependent on parent fees, cannot be offered as a model of employer supported child care. Nor should a program which pays staff at minimum wage overstate the value of employer contributions in reducing the cost of care. The often unrecognized subsidies of parent time, energy, and money, and of staff pay levels can be a detriment to parent employee satisfaction and to program quality.

Employers can plan child care systems which will benefit themselves, working parents, and the community as a whole. By expressing an interest in child care, the employer exhibits a sophisticated understanding of the relation between work life, family life, and community well being. This paper has identified some approaches, variables, and issues to consider in successfully planning employer sponsored child care.

NEEDS ASSESSMENT VARIABLES

COMMUNITY

Number of families of child bearing age

Child care programs available in the community. Include:

- Child care centers
- Family day care homes
- In home child care
- Recreation programs
- After school care

Extent of use of existing child care programs

Location of child care programs in relation to homes and workplaces of families

Transportation used by families to work and to child care

Funding for child care: Public and private sources
Extent of use by existing programs

Eligibility of existing programs and community residents for subsidy

Regulations: Federal and state child care regulations
Zoning
Health and fire codes

Arrangements for care of sick children, for school holidays and after school

Prevailing community rates charged for child care services

EMPLOYER

Work schedule: Hours/day, days/week, seasonal patterns

Pay level of workers

Personnel costs: Absenteeism, turnover, recruitment

Location of worksite in relation to workers, homes and child care services

Age, sex, and family income of employees

Number of employees

Percentage of workers: Parents
Single Parents

Benefits: Offered to employees
Used by employees

Relevant tax benefits

Goals of employer: Productivity
Tax savings
Public image
Compliance with Title VII, Title IX, EEO, etc.

Other

Relationship to collective bargaining units

EMPLOYEES

Number of families of child bearing age

Number and age distribution of employees' children

Work schedule of employees with children needing care

Type, location, and cost of:
Child care now used by employees
Child care preferred by employees

Include: Type of program (center, family day, after school, special needs)
Subsidies received or eligible to receive
Care used during mild illness, school holidays, after school

Problems and benefits in existing child care arrangements:
Quality
Cost
Location
Reliability
Other

Cost of current child care as percent of family income

Amount family is able to pay (willing to pay) for child care

Number of adults in family not working outside home

Work satisfaction, possible effect of child care needs

Additional child care services needed or desired

Transportation to work and child care

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2. economic incentives

PERSPECTIVE

The cost of child care, as that of any service, must be considered as one factor in a complex economic equation which includes benefits to different parties. This paper examines the cost of care along with its economic incentives for employees and employers.

Although benefit selection and planning in the past was largely dependent on sentimental or political judgements, objective criteria--both social and monetary--can be used. Clark Abt has argued persuasively that effective management of a benefit such as child care requires more than "hard" monetary data (1972). In accounting for the diverse economic incentives for child care support, this paper will consider both monetary and less quantitative benefit indicators.

Further, advocates for employer sponsored child care have tended to view economic incentives only from the employer's perspective. Economic incentives of parents must be considered as well. A failure to understand economic incentives bearing on a parent's choice about care can lead to the underenrollment of programs and to their consequent failure. In addition, parents' economic incentives may figure importantly in predicting the relationship between child care and worker absenteeism, turnover, and performance.

ECONOMIC INCENTIVES FOR THE EMPLOYER

Employer sponsorship of child care can reduce the cost of the service to parents, and ensure adequate funds so that program quality is improved. Relatively small contributions can have a major impact. Although the benefit may be used by only a few employees at any one time, there are indirect benefits, both social and monetary, for the employer, for others in the workforce, and for the community as a whole.

Benefits of sponsoring child care: Child care can improve productivity. To the extent it reduces absenteeism and turnover, it saves money. To quantify the effects of child care, Children's Rights Group of San Francisco has identified the following variables in cost of turnover and absenteeism.

> Employee separation--administrative cost of an employee separating, of lost work days, etc.
>
> Employee hire--cost of recruiting, paper work, training, lost work time during training, etc. for the replacement employee.
>
> Absenteeism--administrative costs, pay for days not worked, pay for replacement workers, lost skills of absent employee. [1]

Turnover adds other less measurable costs for employers, including human service agencies, where the quality of service depends on continuity in the worker-client relationship. High rates of turnover also adversely affect employee morale.

Recruitment is a significant expense for highly skilled workers in a competitive labor market. It is not surprising that hospitals are using child care as a recruiting incentive for nurses, an occupation which highly skilled women workers dominate. An administrator of Pioneers Memorial Hospital in Brawley has estimated the recruitment cost for one Registered Nurse at $8,000. This cost is offset by a low turnover rate (six percent); she attributes this low rate to good working conditions, an aggressive staff development programs, Brawley's stable population and on-site child care.

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[1] *Children's Rights Group of San Francisco has developed computer programs to figure monetary costs and benefits for specific models of employer sponsored child care, based on the analysis by Inner City Fund (1971).*

Studies document the potential impact of day care on both absenteeism and turnover. At the Northside Child Development Center, assembly line electronics workers with children enrolled at the center had significantly less turnover and absenteeism (Milkovich and Gomez, 1976). Another study reported a drop in absenteeism, from ten to three percent, associated with onsite child care (Women's Bureau, Bulletin 296). Absenteeism hurts productivity at all levels. On the assembly line, the loss of a worker who stays home with a sick child causes scheduling and production problems. In a research complex, an engineer's maternity leave can result in lost expertise and some obsolescence in the worker's skills if she can't find child care within a reasonable time.

Personnel practices and benefits can also be evaluated in terms of their impact on human resource development. Employee benefits and features of the work environment can improve productivity, either directly, by increasing employee skills and reducing absenteeism, or indirectly, by improving morale and motivation. For just these reasons, companies use health and vacation benefits, tuition subsidies, and in-house exercise and mental health programs. Child care may have a similar impact by alleviating stress on working parents, demonstrating the employer's concern for family and community needs, and (especially in the case of an on-site center) humanizing the work environment. All employees can benefit from the immediate intrinsic appeal of a group of children. Even childless employees can gain social benefits by helping with what they view as "their" child care program.

Tax incentives are another form of easily quantified monetary benefits. Tax benefits for the employer fall into three categories. One is tax deductions for child care as a business expense. Another is deductions for a nonprofit corporation providing child care, organized as either a charitable organization or as a voluntary employees' beneficiary association. The third type of benefit derives from rapid amortization of capital expenses for an employee child care program.

The regulations require careful study and interpretation. The value of a tax benefit will vary for different employers and kinds of child care support. Employers and child care planners

should begin their study of tax benefits by reading the Commerce Clearing House booklet (CCH, 1980). The Bay Area Child Care Law Project has also produced a set of helpful articles on regulation and tax questions about child care. [2]

Several Internal Revenue Code sections deserve mention. Section 162 details the deductability of "ordinary and necessary" business expenses. Section 170 discusses charitable expenses. Section 188 permits an employer to amortize rapidly capital expenditures for child care facilities. Both Commerce Clearing House and the Child Care Law Project explicate the advantages and disincentives for using this section.

Tax law--both federal and state--is under legislative scrutiny. On page 40 is an appendix of recent legislation, including the federal tax reform bill passed in August, 1981.

Other Benefits: Abt's discussion of the social audit as applied to personnel policies and community activities did not overlook the potential for community good will and improved corporate image from employer supported child care (1972). Employers who now support child care indirectly through community charities such as United Way might underscore their support by becoming involved in public education, political advocacy, and local support groups for child care. Direct support of child care has even more direct payoffs. Miriam Kirtzman of Boston's Stride Rite Children's Center has reported the value of the public's association of the center program with a nationally advertised children's product. Child care is gaining recognition as a needed service for most working families. Employers who support child care are demonstrating a strong pro-family orientation.

In supporting a basic need of working families, the employer contributes to the community's health. Although the payoffs of improved community

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[2] *Request list of publications and ordering information from Bay Area Child Care Law Project, 9 First Street, Suite 803, San Francisco, CA 94105 (415) 495-5498*

health are hard to quantify, they can be highly visible. For instance, the support of a child care program serving both employee and community children may improve community relations and thus reduce specific problems such as vandalism at a company facility. Although the community benefit of reduced unemployment is often cited in justifying new industrial facilities, the impact of growth on local services such as child care is often recognized after the fact. Planning committees of local governmental bodies should respond favorably to an employer's sensitivity to both social and environmental impacts.

Another financial impact of child care may be in the area of affirmative action compliance. Because child care need tends to fall disproportionately on underrepresented groups, child care support is a reasonable recruitment and retention strategy in some occupations. For example, a recent report cites the tremendous need for child care among returning women college students (Creange, 1980). Child care could figure importantly in compliance with equal opportunity regulations or in responding to Title IX and Title VII litigation.

In estimating the potential benefits of child care support one should begin with a broad view which includes both "hard" monetary indicators and "soft" social and humanistic values. Then, by adopting Clark Abt's strategy, one may find that some of the latter are quantifiable and predict more important benefits than traditional managerial indices.

FIGURING THE COST EQUATION FOR THE EMPLOYER

Keeping Cost in Perspective

The level of employer contribution to child care can vary greatly. Several aspects of care keep employers' costs down. As a benefit, child care will be used by only a small percentage of the work force, for a limited period of their employment. Thus, even major support of the child care expense ($1,000 - $3,000 per year per child) represents a small cost relative to other personnel benefit expenses. In addition, employers can choose to support only a part of the employees' child care cost, so their actual expense is very low.

The levels of initial contribution and the schedule of contributions can be designed to suit both the capabilities of the employer and the needs of the child care program. Financing options include a one-time contribution or low interest loan for startup and capital outlay, low initial funding for a planning phase which is later increased depending on demand and available funding, or a commitment to a fixed percentage of employees' child care expenses. The value of each of these options in supporting different modes of child care for employees or the community are discussed in the GAC paper on planning employer sponsored child care (GAC, 1981). The point is simple: the employer's expense need not be excessive to contribute significantly to child care in a community.

Direct cost of child care: Child care in the United States is a scarce resource which exists for the most part on very marginal funding. Thus, it is fairly easy to define minimum budgets for child care. It is very difficult to define an optimum one which will apply in more than a few cases. The budget of the Stride Rite Children's Center, reprinted on page 8, is a useful summary of the different cost components of a child care center program. This budget is for 50 children, so it is in line with a generally accepted estimate of $3,000 per year per child, in late 1979; adjust the figures for inflation.

Most cost estimates use the child care center as a model. Although in the past there were clear cost differences between program options, this is less true today. For example, with increased visibility and professional identify, family day care providers have demanded better pay for their services. As

alternative forms of child care become recognized as equally appropriate options (e.g. through state funding such as AB 3059), different child care modes may compete as equivalent services in the child care market.

1. Staff costs include salaries, benefits, recruitment, staff development and substitutes. Of all the variables, personnal costs have the strongest influence on program costs, because they typically represent 70 percent or more of the total budget, in spite of very low pay rates even for highly qualified child care professionals. Findings from the National Day Care Study on group size, ratio, and staff qualifications indicate that cutting personnel costs has a negative impact on program quality (Ruopp et al., 1979). Increases in staff costs can contribute significantly to quality. Improved pay and benefits, by reducing caregiver's turnover and burnout, should assure more continuous staff-child relationships and more competent staff performance (Whitebook et al., 1981).

2. Startup costs can include needs assessment and planning, lost fees until full enrollment is attained, recruitment of children for enrollment through advertising, and parent referral services. However, careful initial planning can reduce program costs by assuring optimal use of program capacity. Program cost per child can be reduced with high enrollment rates. Economics of scale in large programs can also reduce program costs, but can also reduce quality if very large group sizes result.

3. Facility costs include capital outlay for building or modifying the site, rent and utilities, insurance, etc. An excellent physical environment has obvious benefits for child health and safety, staff well-being, and the developmental value of a given child care program. Yet, significant increases in this budget category need not greatly increase total program costs.

4. Program materials represent another budget category which can enhance quality at little cost. Increasing food costs of as much as 50 percent, for example, may result in an annual per child cost increase of only two to three percent. Curriculum materials such

THE STRIDE RITE CHILDREN'S CENTER 1980 ESTIMATED OPERATING BUDGET (for 50 children)

Receipts	
Company Support	$ 42,800
School Lunch Program	20,000
*Negotiated Contract with Dept. of Public Welfare	65,600
Payment from Employee Participants	16,000
Total Receipts	$144,400

Expenditures	
Salaries	$ 90,000
Payroll Taxes (FICA)	6,000
Federal and State Unemployment	2,900
Food Costs	22,500
**Rent	6,000
**Heat and Air Conditioning	1,000°°
**Telephone	1,000
**Electricity	1,500°°
**Daily Cleaning	2,000°°
**Office Services-Accounting, Secretarial and Supplies	2,500°°
**Repairs	600
Annual Cleaning	1,000
Insurance	1,700
Legal	100°°
Travel and Field Trips	1,000
Staff Training	100°°
Misc. and Equipment	1,000
Depreciation	6,000°
Supplies	2,500
Substitutes	1,000°°
Total Expenditures	$150,400

*Based on serving community children
**Services purchased from Stride Rite Corporation
°Depreciation represents the $6,000 difference between Receipts and Expenditures
°°These figures seem inordinately low, and they may reflect in-kind corporate support which reduces the center's direct expenses.

as books and other supplies are commonly an insignificant part of a child care program's budget.

The equation for direct cost of child care is heavily weighted toward personnel cost. This makes sense, because child care is labor intensive and because personnel qualifications in child care have a direct bearing on overall program quality.

Indirect costs: Employers will make in-house contributions in planning and developing child care which would not appear on the child care budget. These indirect costs depend on the nature of employer support (described in GAC, 1981) as well as the level of support.

Planning and needs assessments require staff time. Personnel managers will evaluate and plan the child care benefit. Workers and management need time together on a child care planning committee, especially if an employer sponsored child care center is anticipated. Where child care information and referral services are provided in house, the referral counselor's time should also be counted as a planning expense.

Administrative costs also figure in innovative employee benefit plans. However, the administrative cost of a flexible benefits plan can in some cases be offset by savings from employees taking only those benefits they can actually use, and by benefits such as better corporate image and employee morale (Perham, 1978).

The success of employer sponsored child care, as with any management innovation, depends on competent planning and administrative support. It is important that child care program developers begin with realistic expectations about these indirect costs and be able to account for such expenses as the program unfolds.

Risks: Two potential problems can be viewed as possible cost factors: personal and product liability for child care provided by the employer, and comparability of benefits or unequal treatment complaints from employees who have no need for child care.

Some models of child care support avoid the liability issue. Purchasing care from a state licensed program not controlled by the employer reduces the employer's liability. Models which depend on parent's choice for selecting the child care program further reduce the

employer's liability. For example, in information and referral and in voucher systems, the parent selects a program from a list of licensed ones which have openings. The employer's role is referring the parent, not recommending or sanctioning a given program.

The problems of liability, even for a center established and funded by the employer, seems overestimated. Child care programs of good quality have an excellent safety record. According to Alice Duncan, director of Intermedics' Child Care Center, the best protection against liability is a program of high quality. Her center's liability coverage is included in the company's insurance and thus is obtained at a very low rate. A very inexpensive group policy is a supplement to cover minor accidents which cost less than the larger policy's deductible allowance.

Some modes of employer sponsored child care also avoid the problem of comparability in benefits. A dependent care benefit assists any employee with care of children or a disabled family member. Another option allows enrollment of grandchildren or other young relatives with the employee's child care benefit. In a cafeteria of benefits plan, persons not needing child care opt for an equivalent benefit such as added vacation days or a travel subsidy.

Legally, a child care benefit is not discriminatory as long as it is offered to all who want to use it. Both California and federal law prohibit discrimination on a number of grounds, but parental status is not one of them (Murray, 1980). Retirement benefits are unused by employees who leave the company before retirement, and health insurance is used at different rates by different employees. Similarly, child care need not be viewed as a discriminatory benefit simply because it is not used by all employees.

Each employer sponsored child care program should be planned with appropriate consultation on legal and insurance questions, to reduce the risks mentioned in this report. An excellent starting point regarding such issues is the series of articles by the Bay Area Child Care Law Project (see Footnote 2, p. 4).

ECONOMIC INCENTIVES FROM THE EMPLOYEE'S PERSPECTIVE

The strongest case for sponsoring child care recognizes the economic incentives which parents experience. Employer sponsored child care can minimize the difficulties of finding out of home care, lessen the impact of child care cost on finances, and ease parents' concerns about the quality and reliability of current child care arrangements.

The demand for out of home child care has increased greatly in the last decade because of major economic and demographic changes. Mothers are breadwinners, and frequently heads of households; 41.6 percent of mothers of preschoolers, and over 50 percent of all mothers, are now in the workforce (Census Bureau, 1980). These same changes have impeded growth in the supply of child care. In the past, 70 to 90 percent of all child care was provided by women at home, either in family day care or informal arrangements between relatives or friends. As these caregivers find better paying employment, the supply of low cost child care drops.

It is difficult to estimate how much more child care would be used if more were available. However, the prevalence of long waiting lists for child care programs, especially for infants and toddler care, are evidence of the unmet need in many communities. Seen in this context, then, assisting employees to find child care is an important personnel service.

How does the cost of child care connect to families' economic situations? The statistics on family patterns in the U.S. indicate that those who need child care often are those least able to pay the cost. Young working families, with one or two salaries, are the ones with infants and preschoolers, for whom child care is the most needed and expensive. Using a conservative cost estimate of $3,000 per child per year, it is easy to see the impact of purchasing out of home care for one or more children. Friedman (1981) notes that most families cannot afford more than 10 percent of their income for child care.

Government policies leave low to middle income families with little or no child care assistance. California's child care subsidies, administered through the Office of Child Development, serve only 70,000 of the estimated 366,000 eligible children who need care (SDE, 1978). In addition, many families who cannot afford the full cost of care fall above the eligible income levels. State subsidies can solve only a part of the problem, and then only for those with the greatest need.

Employers planning a child care benefit should evaluate how their support will affect the "working poor" among their employees. Child care offered as a prerequisite to recruit new highly-skilled employees will probably be little help to assembly line workers. In their case, the employer's contribution should serve to bring the price of good care in line with employees' ability to pay. One approach figures the fee for each child as a percentage of the parents' take-home pay; the employer subsidy makes the difference between the fee and the actual cost of care. At Intermedics, all employees pay a low flat fee for use of the child care center. The employer makes up the difference and takes the loss as a deduction against corporate income taxes.

Two challenges: Occasionally, an employer or a social policy analyst may attempt to silence a discussion of employer sponsored child care with two arguments. The first notes the predominance of informal arrangements in families' child care patterns (the use of relatives or neighbors) and then reasons that parents prefer these arrangements (Woolsey, 1978). Special child care programs, therefore, are unnecessary and unwanted. The second postulates that child care is a deeply personal family issue that companies should leave entirely to families.

The first of these mistakenly equates necessity and enterprise with preference and an endless supply of maiden aunts. The second treats the family as an endangered species, living in a precarious ecology, threatened by an employer's wading into child care waters.

Although informal arrangements are important sources of family support, they cannot be assumed to be no cost. When a relative provides child care, the family's child care cost should include the relative's lost income which would have been earned by labor force participation. Also, the reciprocal social obligations which support informal relationships can contribute as much stress as support, especially to low-income families (Belle, 1981). Informal arrangements also become less common as more persons enter the workforce, and as parents find they can rely on paid arrangements.

And, of course, while families are under a great deal of stress--and their choice of child care is personal--an employer can support child care without usurping parental responsibility. (Other papers within this GAC publication address this issue more fully.)

Parent concerns about reliability and quality of care have definite economic implications. When child care is not available, parents may find their only option is to stay home from work: one study discovered that factory workers stayed home on school holidays (Nicholson and Goodge, 1967). Also, to maintain child care or to locate better care, parents may frequently change providers. Each change in child care has the potential for lost days at work. Parents' concerns about their children may be reflected in poor attention or commitment to work. The effect of such concerns is obvious when the parent misses work because child care is lacking. The employer sponsorship of care should add both to the stability of care and, if the program and the contribution are well planned, to the quality of the care.

The cost effectiveness to families and society of good child care has been demonstrated in a longitudinal study of the Perry Preschool Project (Schweinert, 1980). The cost of the preschool intervention program was more than compensated by direct and indirect economic benefits, including the value of the mother's time, the reduced cost for long term school remediation programs, and the projected increased income for each child as a result of improved educational status. The Perry Project, which provided a carefully designed preschool program for low income children, has an estimated return of investment of 248 percent. These findings should not be generalized to all child care programs, but they do demonstrate the potential benefit to families and society of programs which meet the developmental needs of young children.

Summary

This paper has discussed the cost of child care as one of several incentives and disincentives which bear on employers as potential sponsors of child care and on parents as the consumers of child care. When kept in this perspective, child care cost is a small disincentive relative to major benefits in terms of productivity, community relations, employee relations, and taxes.

APPENDIX A: TAX LEGISLATION

HR 1894, Conable: The first federal tax credit bill introduced in 1980 and 1981. This bill increases the tax credit according to a diminishing scale so that low income families receive a larger percentage of credit than upper income families. In this bill, the credit is also refundable to low income families who are not required to pay federal income tax. A similar bill, introduced in 1981, is S. 771, Moynihan.

S. 888, Durnberger: This comprehensive federal bill, entitled the Women's Economic Equity Act, includes a diminishing child care tax credit, similar to HR 1894. In addition, it stipulates that child care benefits received from the employer cannot be counted as taxable income in figuring federal income tax.

AB 130, Lockyer: This bill, introduced in 1980 in the California Assembly, removed the upper income eligibility limit on California's child care tax credit, but maintained the credit percentage (three percent) at the existing level. After several amendments designed to generate tax revenue to offset state revenues lost from the credit, all child care provisions were amended out of the bill. A similar bill, AB 449 (Naylor) has been introduced and should be heard in the 1981-82 session.

AB 131, Lockyer: This bill introduces explicit language into California's tax regulations to allow employers to deduct contributions for employee child care expenses as a business expense. (This form of deduction is already allowed in practice but is not specified in regulations.)

The federal tax bill, signed in August of 1981, increases the child care tax credit. Families with earnings at or below $10,000 per year can claim a tax credit of up to $720 for the first dependent in care and up to $1440 for two or more. The credit decreases gradually for incomes between $10,000 and $28,000 per year. Families earning more than $28,000 can claim a credit only up to $480 for one dependent in care and $960 for more than one. Because the credit is not refundable, many families earning less than $10,000 a year will receive less than the full benefit of the credit.

The bill also revises the Internal Revenue Service code to exempt day care benefits from ordinary income reporting requirements.

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3. parent choice & involvement

PERSPECTIVE

In a recent workshop on employer sponsored child care, a consultant posed a problem. A hospital was planning a worksite center to serve employees' children. The employer was concerned about social and economic changes which might weaken the family by requiring extensive out of home care for children. So, the employer directed that the staffing pattern for the center include two hours per week of participation by each employee parent with a child enrolled. The consultant worried about ways to schedule and use the talents of the parent participants.

This anecdote illustrates several important points about parental choice in employer sponsored child care. One is that for some modes of care, it becomes possible for parents to influence and monitor their child's care by frequent visits with their child and participation in the program. Another is that for many people, in spite of evidence to the contrary, there may be residual concerns about the potential "divisive" effect on the family of child care and working mothers. The most important point of this anecdote, however, is that both employers and child care professionals may be unclear about how and why parents should be involved in the selection, planning, and implementation of employer sponsored child care.

Why should parents be included in the development of employer sponsored child care? Parental expectations and involvement appear as deeply held values (in various forms) in many child care models, and early childhood professionals regularly espouse these values. In addition, there are very practical reasons why employers' efforts must include employee parents.

Parents will be the consumers of whatever child care service is offered. If the service does not meet their expectations, parents will not use it. Many existing employer sponsored programs report an underenrolled startup period while employees learn of the available service and examine its appropriateness for their children. A lengthy period of underenrollment puts a severe and sometimes fatal strain on a child care program's budget. Chronic underenrollment and employee dissatisfaction result when employers offer an impractical solution to employees. For example, some worksite centers have failed because parents were unwilling to commute long distances with small children.

Parent participation can improve the quality of child care because parents bring to the program a special set of information about their child's development and experiences. The caregiver sees the child for a large part of each day, but the parent has lived with the child through whole days since birth. Information from this experience will assist the caregiver in helping each child adjust to the program, and thus can affect both program quality and parents' acceptance of a given child care alternative. In addition, parents' values and attitudes about child care tend to reflect community needs and subcultural expectations.

Child care programs which maximize parent choice and involvement counter critics who say that child care (and, by implication, working mothers) have a "divisive" effect on the family. In fact, *child care can increase the continuity in child rearing by making it easier for parents to handle both family and work responsibilities.* An obvious example is the worksite center where parents may drop in to see their child, speak with the caregiver, and share in parts of the day's routine. However, continuity can be also achieved in nonworksite care when parents delegate a part of the day's child rearing responsibility to a caregiver they choose.

Good models of parent choice and involvement must be based on an understanding of current patterns of child care use and problems of assessing what parents want and need in child care.

CURRENT PATTERNS OF CHILD CARE USE

As one might expect, estimating patterns of use in a service such as child care is very difficult. Most families use more than one type of care, because of different aged children or in order to supplement one type of care with others. The most frequently used sources of care are not what child care consultants would define as child care programs--public schools and care by family members. According to a recent report from the Census Bureau (1980), almost three-fifths of working mothers' children receive day care from a family member at home. Centers provide 10 to 15 percent of child care in the U. S.; family day homes provide another 20 to 25 percent.

Both parental preferences and the cost and supply of child care also influence patterns of use. Perhaps half of all three to five year old children of working mothers are in center care. The preponderance of three to five year olds in center programs may indicate parental preference for more "school like" environments in many center programs. Conversely, the appeal of family day care for other age groups, especially infants and toddlers, may reflect the home-like quality of this form of care, its availability in the family's own neighborhood, and flexibility in scheduling (e.g. for after school care). Such preferences are crucial to predicting what child care should be, beyond describing what it is.

What the data cannot demonstrate are areas of great unmet need. Long waiting lists indicate both serious gaps in service and increases in demand due to changing patterns of work and family. The demand for infant and toddler care, especially in centers, appears to be growing as more mothers with young children return to work. Care for children during illness is a long-standing need which existing programs scarcely touch. Care for children after school and during vacations is scarce in many communities; for many children, staying alone or with older siblings may be the main type of "care."

A number of studies have attempted to document patterns of child care use. Among them are Hofferth (1979), Bane et al. (1979), Census Bureau (1980), Coelen et al. (1979), and Rodes (1975).

PREDICTING PARENTAL PREFERENCE FOR CHILD CARE

It is difficult to predict parental preference on the basis of patterns of use. For example, Woolsey (1977) criticized estimates of child care need, especially for center care, by pointing to the preponderance of informal arrangements as evidence that most parents prefer these over center or family day care. However, her argument did not consider the scarcity of child care and the marginal funding of most child care programs. It is hard for parents to ask for an unknown ideal situation on the basis of an experience which has been less than ideal. Data on parental satisfaction may also be misleading. In choosing child care, parents must balance their preferences with practical realities, including the cost of care. In some cases, "satisfaction" may reflect an attempt to rationalize or accept a less than ideal situation.

Likewise, parents may be very reluctant to discuss needs and preferences with their employer. Women workers in particular may fear that describing their child care need will indicate less than full commitment to work. They may fear giving a negative impression that they are unable to keep family responsibilities from "interfering" with work.

What kinds of questions should be asked to assess preferences? In addition to counting the number, age distribution, and current care arrangements for workers' children, preferences about program type and content need assessment. Research findings indicate the need for sensitivity to parental definitions of "quality" in planning a child care program. Parents may prefer an open learning environment which emphasizes social development and creativity or a curriculum to promote school readiness. They may express different preferences regarding the content and frequency of parent-staff communication and will have concerns about reliability, intellectual stimulation, safety, values expressed by the caregiver, emotional climate, and discipline. Of course, parents will also differ on very practical aspects of child care, such as location, scheduling, and cost. In spite of these differences, it is possible to provide care which is highly satisfactory to parents. Child care planners who attend to such differences, rather than ignoring them, are more likely to achieve a successful program.

The best survey cannot predict changing patterns of child care need. They change over time (children grow!). Parents have children of different ages; and parents

may simultaneously use more than one type of care for one child. Wherever possible, employer sponsored child care should incorporate features which allow maximum flexibility and variety in order to accommodate the workforce's changing child care needs.

Important analyses of parental preference are included in the studies of Friedman (1981), Greenfield (1981), Joffee (1977), Kamerman (1979), Kamerman and Kahn (1979), Lein (1979), McCroskey (1980), and Powell (1977).

PLANNING FOR PARENT CHOICE AND INVOLVEMENT IN CHILD CARE

This section of the paper describes several ways to achieve parent choice in employer sponsored child care. Before describing specific options, however, two issues need attention. First, one must differentiate parent involvement in day care from parent involvement models provided by Head Start, parent cooperatives, and other early childhood programs. Second, one should note the unique features of parent choice in employer sponsored child care.

Parent choice and involvement, in day care and elsewhere: Parent involvement in day care, with its family-centered orientation, differs fundamentally from parent involvement in other programs, where the orientation is wholly child-centered. This distinction is important. Models which depend on concepts of the parent as a home teacher, as a target for parenting education, or as a substitute for child care center staff, cannot apply to parents using child care as a work-related necessity. Most working parents do not need special services, although parents of children with special needs can benefit from appropriate referrals and support services. Most do not expect education on parenting as a primary service from the child care provider, and none have large blocks of time to commit to relieve paid program staff.

Yet, there are valid reasons for parent choice and involvement in day care. The most important emphasizes the parents' role as consumer of a service for their children. Parent choice and involvement help to assure that the service provided meets parental expectations. A related benefit is continuity between the family and the child care provider; parents, with providers, can be recognized as resource people who bring an important perspective and body of knowledge to the job of planning and directing a child care program.

Parent involvement and choice seem essential to maintaining parental feelings of competence and continuity with the provider. Greenfield (1981), in a cross-cultural analysis of women's work and child care, described the sense of powerlessness mothers experience in an urban industrialized environment where work and child-rearing roles are highly differentiated. Parents may see themselves as giving up child care to caregivers in order to go to work outside the home. This sense of powerlessness may be especially acute in a society like

the U. S. where mothers have been told their "first job" is childrearing, and where there is ambivalence about the potentially "divisive" effect of child care on the family.

Issues of employer sponsorship: With employer sponsored child care, employee parents can find themselves depending on the employer for two essential and scarce resources--employment and child care. Parents may have to sacrifice some choice in one in order to obtain the other. Employees can shop around for benefits such as health insurance, which seem nearly universal; their choices regarding child care benefits will probably be limited for some time to come. The problem of choice becomes especially acute in communities where child care is very scarce, because the choice to change employers could mean giving up the only available child care. Parents may sacrifice a job move even when other child care is available, because they wish to maintain continuity in the care arrangement.

Another issue in employer sponsorship is the potential for abuse of family privacy. In developing a trusting relationship with the provider, parents as well as their young children may share details of their family's problems (Powell, 1977). It is important that parents feel free to discuss such issues with the provider without jeopardizing employment status. Conversely, parents should have the option of resolving conflicts or grievances about the child care provider without jeopardizing their job status.

These issues indicate the need for careful planning, to assure that the employer's child care efforts complement other community child care options, and to protect the employees' autonomy and privacy in family matters.

THREE WAYS TO ASSURE CHOICE AND INVOLVEMENT

The remainder of this paper will describe three options to enhance parent choice and involvement in employer sponsored child care.

Parents involved in planning and developing employer sponsored child care: The nature and extent of parental involvement in planning will depend on the type of employer and the administrative structure of the planned child care program.

Local 399 of Service Employees International Union achieved a joint union/management child care planning committee in its 1980 contract with Kaiser Hospital in Los Angeles. The union committee members in this case function as brokers for the parent employees among the rank and file. During the contract year, the committee met regularly to review child care issues and to plan and carry out a needs assessment of all employees. Presumably, the results of the needs assessment will lead to recommendations concerning a child care benefit and to further negotiations related to child care in 1981. This approach involved parents before the needs assessment phase, and it should assure that the survey includes appropriate questions about need and preference. In addition, the union's leadership role throughout the process increases the recognition of employee parents as equal partners with management in planning child care.

Parents can also be involved in early planning for a proprietary center initiated by the employer. During the year of planning for the center at Intermedics Inc., director Alice Duncan conducted extensive interviews with each parent who planned to use the center. Although the company retained final say on the program design, these interviews allowed for more consideration of parental views.

Parents' views are important after the planning stage, also. Parents can participate in developing and evaluating the program. One approach is a parent committee which meets regularly; another is a consumer survey completed on a regular basis to evaluate satisfaction or to assess changing child care need.

If an information and referral service is a part of the employer sponsored child care system, it should be an important means to assess parental satisfaction with child care, as well as giving parents more options from which to choose. The expanded resource and referral

system developed by San Mateo 4-C's for several hospitals uses a case management system to follow up on each referral. The data from these individual cases form an important index of parent needs and preferences, and they could be used in planning additional child care benefits.

Limitations: Approaches such as surveys, interviews, and planning committees tend to represent an aggregate of parental views, and thus the unique or changing needs of individual parents may not be represented. For a heterogeneous work force, it may be difficult to find one solution that suits everyone--and the result of a compromise may suit no one. There needs to be a mechanism in each planning process to see that child care develops according to the intent of the plan; the planning committee's life should not end with achievement of a child care benefit. Finally, it is rarely possible to accord equal power to all parties in a planning process. When making a significant financial commitment to child care, the employer may demand final say in order to have quality control and to limit liability. Unions similarly may push for a particular model of child care, in order to maintain control over a negotiated benefit, although the model may not match the needs of the parents. Parents may have difficulty asserting their own views in the face of such interests, or against the views of child care consultants present as "experts."

Parent involvement to direct or support a child care program: Involvement includes a range of parent activities from informal participation in the daily routine of child care to control and influence through membership in a board of directors.

Child care programs organized as nonprofit corporations have a board of directors which may include a majority or plurality of parents along with representatives of the employer and community. This approach is typically found in parent-directed programs which are more work-related than employer sponsored, because the employer's role is one of helping to plan and start the program rather than provide ongoing financial support. For example, centers established for employees at the California Department of Motor Vehicles and at the Jet Propulsion Laboratory/Cal Tech depend heavily on parent participation for both direction and funding.

This is also the model promoted by SB 764 (Senator Watson) which provides space in new state buildings which may be rented by a non-profit corporation of parents to establish a worksite child care program.

Parents should be called upon for help in setting specific policies of a child care program, regardless of its organizational structure. An excellent example is the role of parents in developing guidelines for screening ill children at the UCLA Children's Center. Parents worked with staff to develop a set of rules concerning the nature and severity of symptoms which could be allowed in the center. Physician advisors to the program reviewed and approved the rules. The involvement of parents resulted in procedures which accommodate the practical needs of parents and staff and allay parental anxiety about risks to their children.

The location of child care on or near the worksite affords parents the opportunity for regular informal involvement. Regular informal contacts with the provider are important to parents. In addition, programs can encourage parents to use breaks or lunch hours to have contact with their child. This is essential for the nursing mother and infant, but it is also valuable for the parent and older child to share a book, a new skill, or a relaxed moment at a meal or nap time. These positive parent-child interactions during the day may ease the typically tired and fretful time of commuting and meal preparation at the end of the day.

Parent skills, like the miscellaneous craft material caregivers call "beautiful junk", have been idealized as essential to the success of early childhood programs. Unfortunately, most discussions of such parent involvement go no further than building playground equipment, preparing holiday snacks, or taking over one of the teacher's planned activities. Rather, parents should be encouraged to think creatively about the variety of work and leisure time skills they could offer the program. For example, photographers, graphic artists, and artisans could give assistance in designing a brochure or improving the child care environment. Bilingual parents might help write and edit sections of a newsletter. Parents might consult with the program to improve budgeting, personnel policies, or public relations. The intent here is to give

parents ways to support the program which do not conflict with their work responsibilities or take away time they would spend with their families.

Limitations: The nonprofit board structure, in which a staff of child care professionals answers to a board of community, employer, and parent representatives, is vulnerable to conflict between the vested interests of these groups, and it deals more effectively with general issues and common concerns of groups of parents than with the needs of an individual family. Also, one may mistake high levels of parent involvement for strong parent influence on the program. Both parental participation and parental decision making can affect program quality, but one is not a substitute for the other.

Parents' choices as consumers of child care: Employers can promote parents' choices by supporting different models of child care service, family day care networks, resource and referral services, and alternative payment programs.

A meaningful choice depends on an adequate supply of child care. In a sense, any employer support which increases the quantity of good quality care in a community is enhancing parent choice. Family day care networks increase both the quantity and quality of a type of care which is preferred by many parents. In addition to referring parents to specific providers, a network recruits new providers, offers training and licensing assistance, and may even help the provider with home improvements to meet licensing standards. The network also serves as a support system to the providers, who work in their own homes. A number of employer-related networks are developing in California including ones in Oakland (Children's Home Society), Los Angeles (Dart,Inc. with the UCLA Child Care Services and Santa Monica Child Care Information Services), Pasadena (Huntington Memorial Hospital), and San Francisco (Asian, Inc.)

Information and referral services are important for educating parents about child care options and helping them locate providers. State-funded information and referral agencies list licensed providers, give referrals to all families in an area, and help child care providers with licensing procedures. They may also provide technical assistance on child care and refer families to various family service agencies. An employer may establish an in-house information and

referral service (as National Semiconductor has done) or contract with a state-funded agency for expanded services (e.g. San Mateo 4-C's).

Alternative payment programs, begun with AB 3059, demonstrated that it is possible for parents on subsidy to choose the care they want for their child. Employers emulating this State program can support child care along with optimal parent choice. Alternative payment systems have the following functions:

1. Educate parents about child care options, and help them locate providers of each option;
2. Assure an adequate quantity of care of good quality in each option;
3. Provide an administrative support for payment of a subsidy after the parent has selected a provider.

Alternative payment programs have been important innovations in enhancing parent choice (GAC, 1/1981). They use two basic systems of payment. In vendor systems, parents select from providers who have prepaid arrangements for a number of child care slots. In voucher systems, parents are given a voucher with which to purchase care from qualified providers, and providers who receive them are reimbursed. Some California employers are beginning to use this option. For example, a few Sunnyvale employers are establishing alternative payment programs for employees through the Sunnyvale Child Care Services Center.

Limitations: Supporting parent choice by referral and alternative payment systems is meaningful only where there is an adequate supply of a variety of child care options. Where child care is scarce, recruitment, training, and licensing of additional providers is essential. Employer sponsors may have concerns about quality control in alternative payment systems, where employer funds support providers whom parents select. (The employer can have quality control by establishing minimum standards for providers who may participate in the alternative payment system or by selecting a set of providers.) Even where the supply of good quality care is adequate, parents may need consumer education and time to make informed choices. If subsidies provided through the alternative payment system are unrealistically low, parents' choices may be limited to a few unsatisfactory providers.

CONCLUSION

Parent choice and involvement are essential to the success of child care programs, and they contribute to the quality of care which children receive. It is difficult to assess child care needs or to predict parental preferences, especially from the aggregate data which surveys provide. Therefore, it is important to involve parents in the planning and development of child care and to allow choices wherever possible. In most child care programs, parents can be involved in a number of ways to plan and guide aspects of the program, assist the program by contributing their skills, and exercising some choice about the kind of care they prefer for their children.

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4. child health & child care

OVERVIEW

The care of children during mild illness is a growing problem for families, with parents who must be at work and for child care programs, with scarce resources and prohibitive regulations. Many solutions are possible, including changes in parents' work patterns; improved design and support of child care programs; and improved coordination between families, child care programs, and health services. Employer support of such solutions is encouraged.

STATEMENT OF THE PROBLEM

The purpose of this paper is to identify some specific solutions to the problem of caring for children during routine, mild illnesses when parents are at work. In dealing with the specific problem, however, illness is viewed in the broader context of the child's development and the family's ability to respond. The paper describes programs in which health and child care professionals work together to support families.

One theme of a December, 1980, report of the Congressional Select Panel for the Promotion of Child Health was the lack of support in existing services for the family as the primary source of child health care (Margolis, 1981). Child care programs and health services which support, rather than replace, family functions are more likely to guarantee continuity in care and efficient use of existing resources. One indication of the need for more coordination between health and child care services is the lack of adequate care for mildly ill children when their parents must be at work.

The care of children during mild illness is a growing problem for working parents because of gaps between health and child care services and families. Changing family patterns mean that more and more parents of preschoolers are working away from home. In spite of these changes, child care services and regulations still seem based on the assumption that there is a mom at home to whom a sick child can be sent for care. When the sick child is sent home, a parent must often stay home from work to provide care. Thus a mild childhood illness is treated as an emergency and can become an economic problem for the family. Sick children are believed to be one of the major causes of absenteeism from work.

The problem of caring for children during illness is compounded by parents' limited access to health services and by poor coordination between health and child care services. Most pediatric health services are oriented toward acute care of seriously ill children or periodic health checkups in a physician's office. Because of the cost and limited access to such services, parents may turn to them in emergencies but

may have little help in dealing with routine childhood health questions (BANANAS). As health care becomes more and more professionalized, parents may feel incompetent to deal with minor illness, and unable to pay for services. When principal health services are available only by appointment during daytime working hours, working parents may resort more frequently to the emergency room for what should be minor health problems.

Job pressures may lead parents to leave children in care, even with the knowledge that this is an extra burden on the caregiver. Licensing regulations prohibit most child care programs from caring for children during mild illness. Staff, hard pressed by the demands of their work, may be reluctant to take on an ill child when even mild illness requires extra attention and risk to other children. Low funding of programs precludes preventive health efforts beyond compliance with the minimal standards set by licensing agencies.

The health component of a child care program should begin with a definition of health and with measures to prevent illness (Peters, 1972). A functional definition of health should point to ways to strengthen families, child care programs, and health professionals as resources for child health. Parents and caregivers can play complementary roles in helping children develop good habits about hygiene and nutrition, in reinforcing competent coping behaviors during times of illness, and in giving appropriate care and comfort during illness. Health professionals can support this complementarity by providing basic information about child growth and health as well as information on community health problems. In addition to practices which promote health and prevent illness, the health component in child care should include definitions of roles for parents, providers, and health professionals. What are the strengths and limitations in each role? What are the risks and benefits in caring for a child with a respiratory illness in a child care center? The answers to such questions depend on a definition of health which is understood and shared by all parties, and on a health system which responds to the needs and strengths of all parties.

The focus of this paper will be alternatives for care of sick children. The reader should view these alternatives in the context of systems which promote health and prevent disease by increased coordination and consensus among parents, child care staff, and health professionals.

Employer Sponsorship and the Health Component in Child Care

In terms of simple economics, there are compelling reasons for employers to support innovations in the health component of child care. Mothers who fear sexism in employment may be reluctant to report problems caused by sick children; even so, there are considerable data to link childhood illnesses with employee absenteeism. In the 1980 corporate report, Honeywell estimated that 61 percent of employee absenteeism was due to the need for child care, especially care of sick children. Of the many options for employer support of child care, this one may produce the most direct economic benefit for the employer.

From the perspective of the child care community employer support could enhance the quality and quantity of child care for working parents. As an added resource for child care, it is important that employer contributions not be used to replicate the problems and inadequacies of a chronically underfunded system of care. Models of what is possible with sufficient funds and expertise should include some attention to health, specifically to the care of sick children. By supporting programs with model health components, employers make a contribution to the child care needs of the community as a whole.

THE HEALTH COMPONENT OF CHILD CARE:

KEY ELEMENTS

Although a survey of research, and of current practice in California, revealed general agreement of the importance of these elements, there was little consensus on the specifics for implementing each element. Thus these program elements may also be viewed as issues to be faced in the development of programs.

Parents

Parental needs and expectations must be taken as basic guidelines in designing and conducting a program. Their needs create the demand for child care and must be responded to if a program is to be fully used. For example, parents may oppose child care at the worksite because they do not want to transport a sick child over a long distance. They may object to temporary in-home care because of its potential for invading the family's privacy. While recognizing the need for care when the child is sick, parents may object to exposing their well child to ill children in the child care program because they misunderstand the nature of contagion in young children. Concerns about contagion and risks to both the sick and well child can be incorporated into program guidelines. In the UCLA infant care program, criteria on the severity and type of illness which would be allowed in the center, developed by a parent group, met the approval of pediatricians as representing good practice. The involvement of parents in developing guidelines increased parents' confidence and helped the staff in setting policy.

Some providers have expressed concern about out of home care during illness, since childhood illnesses may be a family affair. The child in care may not be the only family member experiencing the cold or flu. If more than one child and/or parent becomes ill, care for one ill child in a child care program offers little support. Alternatives which offer temporary in-home care have been suggested, although they seem prohibitively expensive. Again, there appears to be a strong need for education to improve coping within the family, and support to help families cope.

Out of home care for the sick child may not be the best way to meet the needs of both parent and child. For the sick child, comfort may depend on being in familiar surroundings with the parent. For the parent, anxiety about the well being of the child may override anxiety about work respon-

sibilities or lost pay. These feelings seem as important as medical, administrative, and economic considerations in developing resources to care for the sick child.

The health component in the child care center may improve the link between health professionals and parents. In the program at the University of North Carolina at Chapel Hill, the health professionals used as program consultants were also available to parents. Through the program, parents had easy access to a pediatric nurse practitioner and a pediatrician. Contacts between parents and professionals in the context of routine child care can promote use of health resources and encourage a preventive rather than crisis orientation toward child health.

Staff

The extra demands made by sick children and the stress of responding to them justify a lower staff child ratio. Stress on staff should be prevented by adequate sick leave, substitute, and break policies, and pay commensurate with the increased responsibility of caring for children during illness. Although a program may safely accommodate children during illness, staff should not be expected to perform when ill. In addition to medical insurance for caregivers, programs should investigate safeguards for staff liability.

Several approaches have been used to enhance the health skills of staff. A training program may be designed to give staff sickroom skills, plus guidelines for screening children for placement during illness. Health paraprofessionals in one program were hired under CETA funds and trained in health and sick room skills. In addition to specially prepared staff for the day to day care of children, pediatricians and pediatric nurse practitioners should be available to consult with staff and to receive referrals.

Staff must be consulted to set policy about admissable illnesses and treatment practices. For example, staff objections to diarrhea may be based on a realistic assessment of insufficient staff time and limitations in the physical facilities. Such objections may also indicate the need for more training or support to staff as well as changes in the physical facility; improved routines for cleanup, rest and feeding, and improved staff-child ratios.

These staff considerations stand to benefit children, whether sick or well. Staff with health training can provide health education activities for other staff, children, and parents. The availability of specialists helps parents and staff anticipate and prevent or reduce the severity of many childhood illnesses. If they are familiar members of the child care staff, the health staff should not be a stress to the child during illness.

One important byproduct of staff development in health practices is increased competence in responding to chronic illness. As more and more children enter child care, children with conditions such as asthma and diabetes will require care. Contagion is rarely a problem with chronic illnesses, but they do require special care, and staff responses which foster positive concepts about the affected children's health and competence. An analogy may be drawn between staff responses to chronic illness and the mainstreaming of children with handicapping conditions.

Similarly, improved ability to respond to mild childhood illness will benefit children who are recuperating from more serious infectious diseases such as meningitis and hepatitis. Parents have great difficulty providing for care during the period when the acute and communicable phases have passed. During recuperation children need special attention for comfort, optimal activity and stimulation levels, and some followup treatment. All should be possible with a properly prepared child care staff.

Group Size and Age of Child

Increased incidence of illness of children in group care has been related to two variables which can be modified in the design of programs. Group size has been implicated, especially for children under 24 months, in data on hepatitis (Silva, 1980) and respiratory diseases (Loda, 1980 and Stalilberg, 1980) in child care. Some of the increase in illness may be due to an acceleration of the normal process by which infants develop immunity. In group care, infants are probably exposed to the same infections agents as those who remain at home, but experience them earlier in life.

The relation of group size to incidence of illness also suggests two management problems in group care. As group size increases, children will be exposed to infectious agents from outside their own environment; they will have no immunity to these less familiar illnesses. Group size may also contribute to illness because of the difficulty of maintaining health routines in larger groups. Silva (1980) offers an excellent discussion of the problems inherent in larger groups, especially where staffing and the center environment are inadequate.

Peters (1971) has demonstrated that infant center care can be accomplished without increased risk of illness. However, the finding on group size from other studies demonstrate the need for careful attention to potential risks when programs are designed.

Space/Facility

Planning for the physical environment must be oriented toward illness prevention, comfort of the sick child, and safe treatment of sickness. The presence of sick children requires additional indoor space; even during illness, children need room to move and play.[1] The softness of the environment (in Prescott's sense of laps, flexible sensual activities, and soft materials) should add to comfort. At the same time, the environment must be easily cleaned, and measures taken to prevent spread of illness in toileting/diapering, waste disposal, laundering, cleaning play materials, food preparation, and handwashing by staff and children. A concern common to all child care programs is the safe storage of medication.

Other Elements

The physical and social elements of a care program for sick children are visible and fairly easily documented. The elements of knowledge and practice which support these elements are less visible but equally important.

Program staff must have practical criteria for determining which children can be safely accommodated by the program--criteria which represent the views of parents, staff, and health professionals. Staff training, supported by health professionals for referrals, is also essential.

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[1] *The routine confinement of ill children indoors has been questioned by some practitioners. During mild weather, confinement may be unnecessary. While staying indoors, the ill child is more likely to expose others to symptoms. Some see the outdoors as a more healthy environment because of its lower concentration of airborne viruses.*

Coordination between caregiver and parent is also essential and hard to define. One obvious example is the handling of medication. While the parent is at work, medication must be handled by the caregiver. Programs depend on both written and oral communication to be sure that there are no overlaps of omissions. Parent-caregiver communication during the day and at departure is also important so that the parent may continue appropriate care at home.

Practice must be geared to information on local health conditions. For example, children with diarrhea may be adequately cared for with proper precautions for diapering or toileting, handwashing, and nutrition, because most childhood diarrhea due to minor illness and food allergies, is either self-limited, or can be easily managed. However, diarrhea in a community where salmonella or shigella has occurred with some frequency would require different practices. This indicates the importance of including parents and local professionals on a regular basis in setting and reviewing policy. Child care staff would benefit from a monthly health update which listed current disease problems and recommended responses for families and caregivers.

Program records, including staff's informal observations, are essential for evaluating the quality of care. A sudden increase in the frequency of an illness, or a consistent pattern of illnesses, may indicate the need for changes in health practices by the staff or family. Peters (personal communication) has described a cycle of infantile diarrhea in one center which resulted from improper handwashing and waste disposal. This cycle was defined as a "problem" (for which a solution was sought and found) only after staff noticed it and discussed it with staff from other child care programs.

The elements essential for the proper care of sick children would enhance the care of all child care, sick or well. They are components of health practices designed to encourage health rather than just fighting illness. Further, they depend on a cooperative relationship between parents, child care staff, and health professionals in the community. The following section will describe some models for providing care of sick children.

PROGRAM MODELS

All the models provide care for children in child care programs during temporary mild illness. Some also provide health education to parents and children. The programs vary in their approach to providing optimal group size, staffing, comfort for the sick child, and in the kind and severity of illness accepted in care.

In considering models for care of children during illness, the reader must distinguish between two kinds of standards. One set of standards describes minimal conditions to reduce the risk of increased illness. Another describes optimal conditions to promote positive concepts of health, to prevent illness, and to improve the family's functioning. Each of these models falls well above the minimal risk standards, and somewhere short of attaining the optimal conditions for promoting child health. They make a significant contribution in demonstrating that care of children during illness need not increase risk to the ill child or others in care, and in describing ways in which optimal conditions for a child health component may be achieved.

Fully Integrated, Center Based:

Centers in Chapel Hill and Greensboro, North Carolina, have implemented center models (Peters). In the program developed at the Frank Porter Graham Center in Chapel Hill, most illnesses are assumed to be a normal part of development. The program admits children with colds and flu viruses. Children with highly communicable illness such as chicken pox and measles are excluded. A pediatrician consults with the program, educating staff and receiving referrals of unusual medical problems. Both a nurse and doctor are available to consult with parents, in person at the center or by telephone. The center began in 1966 and continues to operate. Program activities include well child supervision, screening and referral of sick children, and staff training, in addition to caring for sick children admitted to the center.

Children participate in center activities to the extent that they feel able, except for restrictions on outdoor play. Both children and staff learn personal habits to prevent the spread of infection.

Integrated approaches to care of children during illness have also been used in the kibbutzim in Israel and in some European child care centers (Mohlabani, personal communication).

Isolation Unit in a Center or Family Day Care Network

One example of this model is the San Anselmo Children's Center, where one room in the center is provided for care of sick children. Alternatively, one family day care home in a network can be designated as a facility to care for sick children. In this approach, partial isolation is a precaution to reduce the spread of illness and to increase the comfort of the sick child.

A familiar environment is important for the comfort of the sick child; familiarity can be enhanced by careful planning of staffing and space. In the San Anselmo program, the specially trained caregiver visits the center and plans health activities for the whole group. The sick room is a part of the center. This arrangement allows flexibility to maintain the desired staff/child ratio. When no children are ill, the staff person can be a part of the regular center staff.

Staff providing care to sick children in the San Anselmo program are CETA eligible persons with health care experience who receive special training in child care before working in the program.

Beyond routine sickroom practices, the San Anselmo staff follow the directions of the child's parents and doctor in handling medication and other procedures. The program admits only moderately ill children—those with colds, flu, ear infections, or simply "tired and cranky:" A child with a fever over 103^{O} F., diarrhea, or a highly communicable illness (e.g. chicken pox) is excluded.

Although isolation has many practical advantages, it has some potential negative consequences for children. Removing children from their regular environment and placing them in an isolation setting can increase stress at a time when they are least able to cope. The isolation unit is a less familiar environment, often without the comfort of the regular caregiver, peers, and the daily routine. In isolation, children's exposure to other illnesses can be increased, particularly when ill children from several different programs are combined in one facility.

A Special Resource for Several Local Programs

One program may provide care for the sick children of several local centers or family day care networks. In Minneapolis,

Child Care Services, Incorporated, refers a worker to the home when a child is ill. This plan eliminates the need to move the child or to put the child in an unfamiliar place while ill, and it allows for care of more serious illnesses. Although convenient and preferred by some parents, this model is expensive. Some parents may also object to the intrusion of the worker in the family's privacy.

Wheezles and Sneezles in Albany, California, and the Berkeley Sick Child Care Program use in-home care for serious illness, but also care for sick children through a network of family day care homes. Parents call a 24 hour answering service, and sick children are then referred to a family day care home which is a satellite to a children's center. Through visits, children learn that the homes are a special place. Children are cared for by the same caregiver for the duration of their illness.

Caregivers are selected for their experience in working with sick children, including their own. They receive additional training in first aid, home nursing, and child development. A nurse screens sick children to determine whether they should be placed in one of the family day care homes or in their own home with an in home worker.

Other Models

All the models described here are attempts to support families in what can be stressful times for the child. Care away from home in a familiar, safe, and comfortable environment may be better than staying home with a parent who is frustrated and anxious about lost time and pay from work.

What if the parent had no reason to be anxious? One alternative for employer support is more generous sick leave and family leave benefits. These benefits would be an important supplement to out of home care for mildly ill children. When more than one family member is ill, it may be a better use of family resources and program funds to allow a parent to stay home. Peters has described the "fragile infant" whose poorly developed immune system leaves the child very susceptible even to the stress of mild illness; in this case, extended maternity or paternity leaves seem to make

more sense than do special child care programs. More generous family leave policies would also allow better at-home care for the severely ill child.

Summary: Looking at the Models

The models vary in the extent to which they are documented or have been evaluated. Therefore, it is difficult for other programs to copy or borrow ideas. More importantly, those wishing to develop a program for sick children should understand the relation of a program model to their own efforts.

Program models tend to represent what is possible or optimal, not what is actual. In developing a model, planners and child care providers pull together all of the best in their vicinity. Most child care programs, unlike models, have to cope with less than excellent funding, staffing, or other elements. Until more models have been evaluated, it would be risky to attempt care for sick children in less than model circumstances. In the data from the evaluation of the Frank Porter Graham center program in North Carolina, children in group care did not experience significantly more illness than other children in the community (Loda et al., 1972). In a recent Scandinavian study, children in center based programs did suffer significantly more acute respiratory illness than children either in family day care home care (Stalilberg, 1980). The first study described a center which had achieved optimal conditions in preventing young children's illness. The second study described the consequences to children of less than optimal conditions.

PROBLEMS AND RECOMMENDATIONS

Solutions exist for all these problems. However, programs within California and in other states need to document the solutions they have found.

Working Definition of Illness

Descriptions of programs refer to "mild," "moderate" or "severe" illness but usually do not define these terms. In addition, research provides little explicit detail on what conditions child care programs can safely handle. There seems to be general agreement that "mild" upper respiratory illness can be safely handled with appropriate precautions in a group setting, but disagrement concerning fevers, vomiting, and diarrhea. The information on highly communicable illness (e.g. impetigo, chicken pox), skin parasites (scabies, lice), and severe chronic illness (asthma, diabetes) ranges from vague to non-existent, but providers recognize that children may come to child care with these conditions. Clearly, each program will have to develop guidelines with the help of qualified medical professionals. Sharing specific information among programs which provide care for ill children would help in evaluating programs and in determining the potential risks and benefits of coping with different conditions. Parents must understand and accept the guidelines in order to cooperate with the program. In addition to written guidelines, staff must have adequate training and professional backup to care safely for sick children. Children's symptoms may change quickly during care, so staff's expert judgement on an hourly and daily basis becomes an important part of any program.

Stress on Staff

Most providers would agree that child care staff members subsidize programs by working competently for less than they are worth. The care of sick children adds more responsibility and more stress. Training and professional backup is needed if staff are to handle responsibility confidently and competently. Staff may become ill more frequently from exposure to children's illness, so adequate pay and benefits are a necessity.

Funding

Although the demand for care for sick children will vary, it is hard to predict demand from day to day. Therefore,

a component for care of ill children becomes a fixed cost. Programs funded on a per child per day (or per month) basis may have difficulty budgeting for this added fixed cost. Where the ill child is referred away from the regular program for care, programs may have difficulty getting reimbursed for a child who appears to be enrolled in two places on sick days. This has been a problem, for example, for Title XX programs in Minnesota.

These problems demonstrate the value of employer contributions for special programs which can be developed outside existing budget and administrative procedures.

Regulations

At this time in California, child care for sick children is possible only in programs funded by the Department of Education (Office of Child Development) and regulated under Title 5, the State Education Code. Programs which receive no public funds cannot care for ill children because they are licensed as community care facilities by the Department of Social Services. The Community Care Regulations, Title 22, require that parents at the time of enrollment have alternative care arranged for times when the child is ill. When children become ill during the day, they must be isolated and can remain at the center only until parents can take them home. In family day care, the ill child must be placed in an isolation area—not a practical solution for most providers.

Changes in regulations may proceed slowly, and perhaps they should. Licensing tends to define the minimum acceptable standard, and may not guarantee the quality necessary to extend care to sick children. However, other states' licensing does permit some care of sick children. For example, the Minnesota Department of Public Welfare explicitly permits such care in family and group family day care, and does not prohibit care of sick children in centers.

With the Office of Child Development's role in funding and consulting with programs, as well as regulating them, the state has attempted to go beyond minimum standards to develop some models of quality. What about exemplary programs which receive no state funds? If required to meet Title 22 rather than Title 5 standards, they will not be able to develop a health component to serve sick children. The discrepancy between the two licensing standards inhibits

the development of programs with nonpublic funds, including employer contributions.

By allowing care of sick children through Title 5 but not Title 22, the state is allowing a much needed service for only a few families. In addition, the regulations inhibit the development of programs with nonpublic funds, including those with employer support.

Conclusion

The health needs of young children are a problem for families because most health resources are not well integrated with the family's patterns of child care. Employers as well as families face this problem because of the specific need for care of sick children while their parents work.

Some child care programs are caring for sick children, without increased risk to either the sick or the well children in their care. In addition to meeting a specific need of the sick child, some programs are promoting a preventive orientation toward child health and improving coordination among child care programs, parents, and community health professionals.

Existing programs with health and illness care components should document their practices and experiences. Such documentation, combined with medical research on the health consequences of child care, would contribute to a working definition of illness. Programs need specific information on procedures and on consequences to staff, parents, and children, in order to develop enrollment policies and educate parents and staff. Until such information is available, programs should depend on consultation with parents and pediatricians to plan programs which will entail minimum risk to all involved.

A reform of licensing standards would encourage development of model programs with both private and public funds. Improved regulations, combined with shared experience and research from programs and funds from employers and other sources, would help meet the need of many more families.

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Appreciation is due the following for reviewing the paper:

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